

Council Reference:
Your Reference:



13 March 2024

Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam



NSW council financial model review – draft Terms of Reference

Reference is made to IPART's request for feedback on the above draft Terms of Reference.

Council provides the following comments:

Matter number 3 - "Whether the current funding model will sustainably support the needs of communities"

The third dot point, "Identify measures to put downward pressure on rates through other own source-revenue or closer scrutiny of expenditure" should include an audit/analysis of the true costs of dealing with development assessment and a review of the restrictions on development fees preventing full cost recovery.

It is Council's position that the actual average cost of assessing and determining a development assessment (including legal costs of having to defend planning decisions) is not being adequately recovered from the statutory fees that Council is permitted to charge.

If this were to be improved, it would take considerable pressure off rates for councils like Tweed experiencing significant number of DA's. Presently development assessment functions at Tweed are subsidised some \$3m annually. This is a perverse outcome where existing residents are subsidising the development assessment of new development.

Further, the cap on Developer Contributions should also be reviewed to not unfairly punish ratepayers by subsidise developments.

Other matters

Consideration should be given as to whether the provisions in the NSW Local Government Act for council structure and responsibilities of the Mayor, Councillors and key staff are sufficient to ensure the principles of sound financial management can be applied as intended.

Thank you for your consideration.

Yours Sincerely

[Redacted signature]
Date: 13/03/2024

[Redacted name]